Community

vestre

Impact report
2023

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Introduction

2023 marks a pivotal year for Vestre as we expand our operations into the United States, further solidifying our global presence. Building on the momentum of 2022, where we saw the successful launch of The Plus, the world's most environmentally friendly furniture factory as evidenced by a BREEAM Outstanding certificate, and insourced more than 90% of our value chain[?], we are now set to take more ambitious strides. Our journey into the US market is not just a geographical expansion; it represents a broader commitment to creating locally robust, globally integrated value chains that prioritize supply security and sustainability.

A core component of such value chains is their constituent parts, the suppliers. With this report we aim to showcase the need for thinking and competing as value chains and networks, rather than standalone companies. Over 95% of our emissions are in scope 3[?], so we necessarily have to engage with our suppliers to mitigate them according to our decarbonisation plan: 1) switching to low-carbon alternatives and 2) scaling circular models. Here we take a closer look at some of the specific partners we at Vestre are proud to work with, and their contribution to our sustainability efforts.

All our sustainability work revolves around creating inclusive design furniture that are built to last. Our venture into the circular space, Vestre Vision Zero, states that all Vestre products shall have the potential of lasting forever through a little care, repair and refurbishment. To achieve this we need to broaden and deepen our stakeholder dialogue, both from the material source, to the customer and back again.

Because at Vestre, we believe that everyone can save the world. A little.

Glossary

Carbon offsets • Broadly refers to a reduction in greenhouse gas (GHG) emissions—or an increase in carbon storage (e.g., through land restoration or the planting of trees)—that is used to compensate for emissions that occur elsewhere. 13, 20

Carbon removals • Carbon offsets that are permanent. That means their effect will last for at least 100 years. 20

Net Zero • A target for the net amount of greenhouse gases produced by human activity. It will be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere. 14

Greenhouse Gas (GHG) Protocol • Provides standards, guidance, tools, and training to enable businesses and government agencies to measure and manage greenhouse gas emissions.

Scope 1 • Emissions that a company controls directly, like fossil fuels for heating buildings and powering vehicles and equipment. 19

Scope 2 • Emissions deriving indirectly from energy that is purchased, such as electricity, steam or heating and cooling systems. 19

Scope 3 • Indirect emissions that are not in our control but in our value chain. Examples are purchased goods and services, business travel and transport to customers. 4, 19

Science Based Targets • Show companies and financial institutions how much and how quickly they need to reduce their greenhouse gas (GHG) emissions to prevent the worst effects of climate change. 14

Double materiality assessment • Means that companies need to assess the impact their operations have on the environment, but also the impact that climate change can have on the financial health of the company.

Environmental Product Declaration (EPD) • A concise third-party-verified and registered document with transparent and comparable information about a product's environmental performance throughout its entire lifecycle. 12

Post-consumer scrap • Any material that is recycled after its commercialization or use. 7, 12

Upstream • Operational activities that take place before Vestre's operations in the value chain. Examples include the extraction of raw materials and certain processing of materials. 8, 15, 19

Downstream • Operational activities that take place after the products leave Vestre's facilities. Examples include transport to customers, the use-phase and recycling of the materials at end-of-life. 13, 19

Cradle-to-gate • From raw material until the product leaves the factory.

LCA • Life Cycle Assessment is a methodology for assessing environmental impacts associated with all the stages of the lifecycle of a commercial product, process, or service.

Value chain • A series of consecutive steps that go into the creation of a finished product, from its initial design, sourcing, production to arrival at the customer's door, and finally back into the resource loop. 4

Value Chain Intervention (VCI) • Any action that introduces a change to a scope 3 activity, such as a new technology or practice, or a change in the supply chain to reduce or remove emissions. 6, 8

Carbon storage • An item that stores carbon for as long as it is intact, i.e., not burnt.

Biochar • Organic material that has been carbonized under high temperatures.

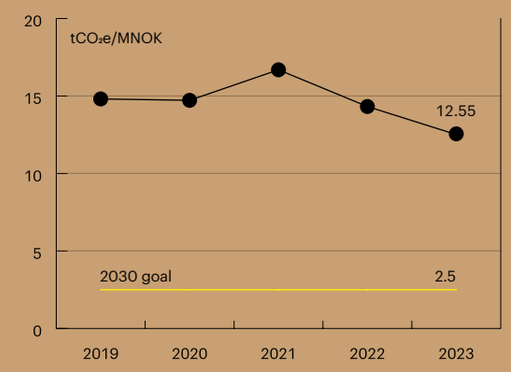
HVO diesel • Hydrotreated Vegetable Oil diesel, bio-based fuel which is produced with renewable resources. 8, 12, 15

EURO 6 • A classification on fossil fuel engines determining how much they can emit. The EURO 6 implementation started in 2014, and EURO 7 will be introduced 1st of July 2025. 14

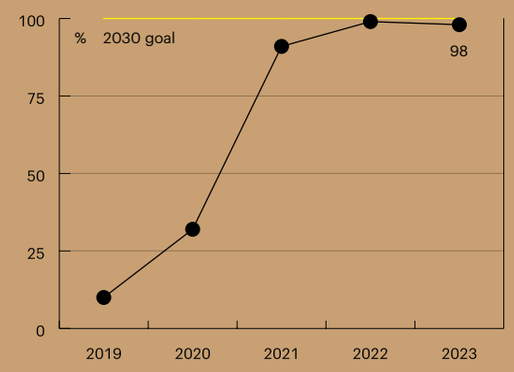
Progress on the goals

Another year completed, and most importantly we have gotten a deeper understanding of what needs to be measured, and how to measure it. For one we have moved to a monthly reporting system on environmental data with all key suppliers. This gives us insight to make decisions, not only report. We have moved forward with VCIs[7] on many fronts and experienced a fantastic growth in Europe and the US in particular. The demand for high quality urban furniture is growing, as social meeting places become increasingly important in densifying cities. Our collaboration with suppliers is highly prioritised, as we align our ambitious strategies on sustainability and seek synergies that drive competitive advantage beyond each single company. That's what this report is all about. Here's our progress and setbacks in 2023.

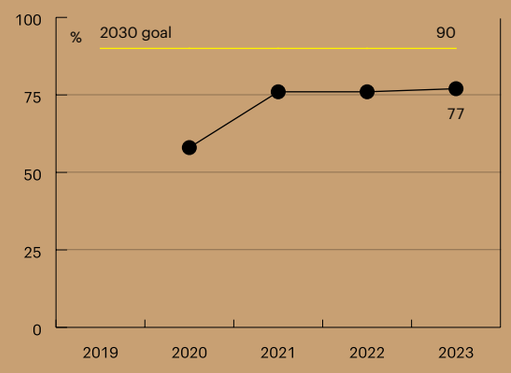
Carbon intensity — emissions per unit of revenue



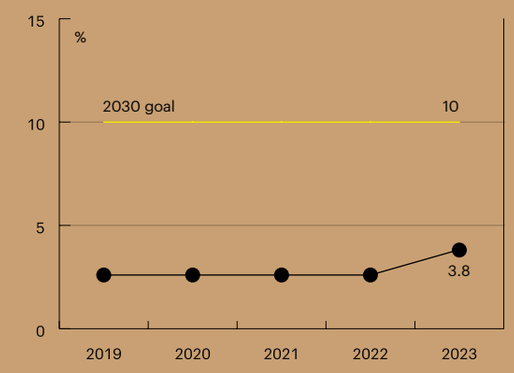
Share of FSC® certified wood



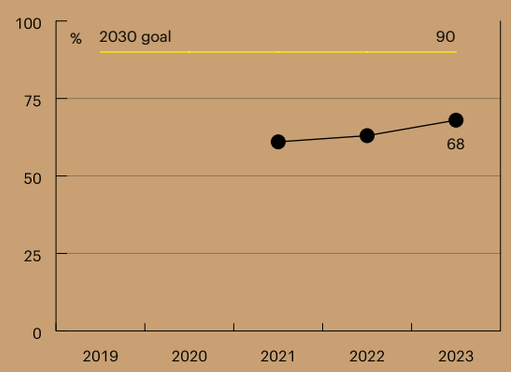
Share of revenue certified with the Nordic Swan Ecolabel (ISO14020 Type 1 Ecolabel)



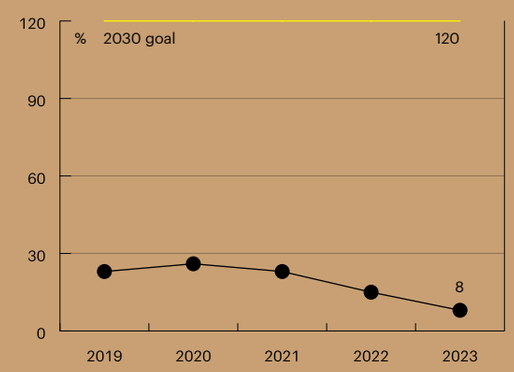
Share of post-consumer scrap[7]: steel



Share of post-consumer scrap: aluminium



Provide more energy to the grid than we use

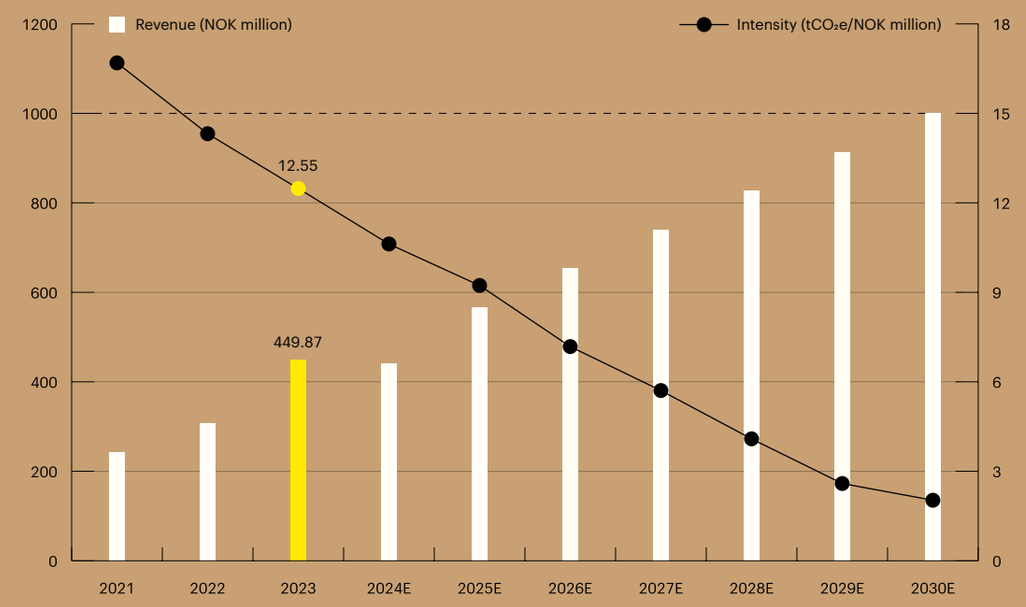


Decarbonisation plan update

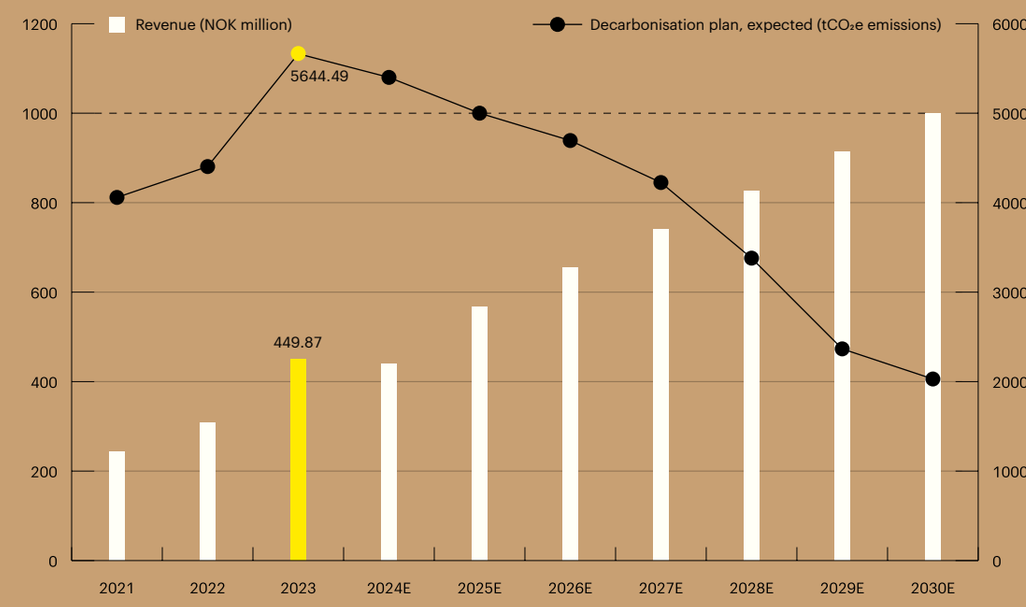
We have experienced significant growth, meaning that we are stepping outside our original trajectory in terms of absolute emissions, but we are seeing positive tendencies in carbon intensity, reaching lower levels than ever before of emissions per unit of revenue. We have completed some critical Value Chain Interventions? in 2023:

- Switched to HVO diesel? on all upstream? transport with Jan Olaf Olsen Transport since September
- Switched to a biogas fuelled truck with DHL between The Plus and their distribution centre in Oslo from the first of December
- Established a policy of minimum 30% Sustainable Aviation Fuel (SAF) on all air transport with DHL Express
- Purchased the first batches of Fossil Free Steel (FFS) and Zero from Tibnor (SSAB)
- Signed our very first Power Purchase Agreement to purchase green electricity with proven additionality from 2025 with Better Energy
- Implemented bio-based plastic and paper-based tape for packaging with Kjell & Co

Linear Revenue & Carbon Intensity Scenario



Total Emissions (tCO_2e) & Linear Revenue Scenario



Community

The condition of sharing or having certain attitudes and interests in common.
(Oxford Languages)

Some of our key suppliers have been with us for years, others are newer. The common denominator for all of them is that we are proud to work with them because of their dedication of working towards a more sustainable future.

We have spoken about our common roadmap towards 2030 with some of them. We specifically asked them two questions which are critical for Vestre and our partners to achieve the ambitious targets we set out, namely, to be known as the world's most sustainable furniture company.

1. What ambitions do you have on sustainability, and how does that compare to your industry?
2. What actions do you take that contribute to Vestre's decarbonisation?

Tibnor (SSAB) • steel for all our products, plus some sheet aluminium

tCO_2e in 2023: 3599.91

Per Ivar Nordstrand
Product Specialist, Sheet & Plate

1. We have industry-leading ambitions on sustainability together with our parent company SSAB. We were the first to launch the groundbreaking fossil free steel (FFS) and now also offer 100% post-consumer[7] recycled steel in the form of SSAB Zero. EPDs[7] and the possibility of measuring environmental data is critical to us.
2. By offering low-carbon alternatives for some of the key material areas in Vestre's carbon footprint, we are enabling the possibility of a low-carbon future.

Kjell & Co • packaging materials

tCO_2e in 2023: 239.59

Peter Anjemo
CEO

1. A healthy and sustainable working environment means happier and more motivated employees, which again results in higher productivity, lower rates of people on sick leave and fewer mistakes. We work with increasing renewable resources and reducing our footprint. Our sense is that sustainability is becoming increasingly common in the industry, as more customers require it.
2. We are switching to electric or hybrid vehicles where that is possible, otherwise opting for bio alternatives like HVO diesel[7]. The only way to do this is collaborating with companies that invest in environmentally friendly transport alternatives. We are working directly with Vestre to find more environmentally friendly packaging alternatives, such as plastic made partly from pine oil, reducing dependency on fossil sources.

ITS • downstream[7] logistics to North America by sea and air

tCO_2e in 2023: 152.42

Robert Dölen
Export Sea Freight Manager

1. Our company measures and follows progress on climate ambitions each year. Through the ISO standard we measure everything from changing meeting practices to electricity usage. Our own trucks will meet reduction targets of 30-40% reduction by 2030. We aim to give our clients solutions that are both better for the environment and cost saving.
2. We are a forwarder, so we have to rely on what is offered in the market. Some offsets[7] are considered greenwashing since it's very hard to measure traceable impact on them, so we try to avoid that. In general, we see regulations tightening the space towards a greener future, and we try to encourage our customers to ask for environmentally friendly alternatives. For Vestre that has meant sending full containers and optimising package volume.

DHL • downstream logistics, by air and road globally

tCO_2e in 2023: 133.16

Marius Nordvold Wærpen
Head of Sales & Marketing

1. We have a responsibility to set an example in our industry and be a sustainability leader. That means reducing our carbon footprint and setting the highest social and governance standards. Over the years, we have repeatedly redefined logistics, from pioneering the first green logistics product to becoming the first logistics company to commit to a zero-emission target. Today we offer the most comprehensive portfolio of green logistics solutions in the industry.
2. Together with Vestre, we have arranged that a biogas truck will collect outgoing goods from their factory at Magnor in an environmentally friendly way. DHL is reporting monthly on how the development on Vestre climate emissions is going, and we see together how different insetting solutions are impacting the total results.

1. What ambitions do you have on sustainability, and how does that compare to your industry?
2. What actions do you take that contribute to Vestre's decarbonisation?

DuoZink • hot dip galvanising all our steel products

tCO_2e in 2023: 90.00

Johnny Theigmann
CEO

1. We have a thorough understanding of carbon footprint across our business and have since 2012 with ISO14001 certification worked towards reduction of carbon footprint. We have done thorough analysis and created Science Based Targets[7] and strategies to achieve them. The whole industry takes sustainability seriously, so it is hard to say how we compare to that, but with the measures we have taken we feel that we are in good shape.
2. When it comes to Vestre's decarbonisation we are aiding that through several initiatives. We are purchasing power with guarantees of origin. We are utilising electric trucks and all the lorries used are EURO 6[7] engine or better. Most importantly we are using low-carbon zinc since the summer of 2022. This alone reduced the carbon footprint of zinc with 60%. We are also investing in an energy management system with solar power and battery storage which will be connected to the reserve power grid.

Hydro • low-carbon aluminium

tCO_2e in 2023: 76.24

Jånn Oscar Rambøl
Sales Engineer

1. To solve our common global challenges, we need to produce and consume in a new way. Our ambition is to contribute to a fair society with a circular economy. Hydro has concrete ambitions on net zero[7] by 2050 and action plans on how to get there. Hydro is ahead of most competitors in this area.
2. We shall contribute to Vestre's decarbonisation and circularity goals by offering zero-carbon aluminium, work on circular solutions and utilise renewable energy. We also want to emphasize the importance of responsible business.

Jan Olaf Olsen Transport AS • upstream[7] logistics, downstream to port for US-bound goods

tCO_2e in 2023: 39.51

Thomas André Olsen
CEO

1. In recent years, sustainability has become our first priority. We aim to reduce carbon emissions, improve fuel efficiency, minimise waste and promote responsible supply chain practices. Optimising route planning to reduce empty miles, using retread tires on trucks and trailers, giving longer lifetime to those tires.
2. From April 2022, when we started collaborating with Vestre, we agreed internally to use retread tires, extending their lifetime. From September of 2023, we started making all transport for Vestre with HVO-fuel[7]. We continue our work with sustainability as a high priority towards 2030.

Påskallaviks Snickeri • woodworking all custom and many standard pieces

tCO_2e in 2023: 24.85

Peder Ivarsson
CEO

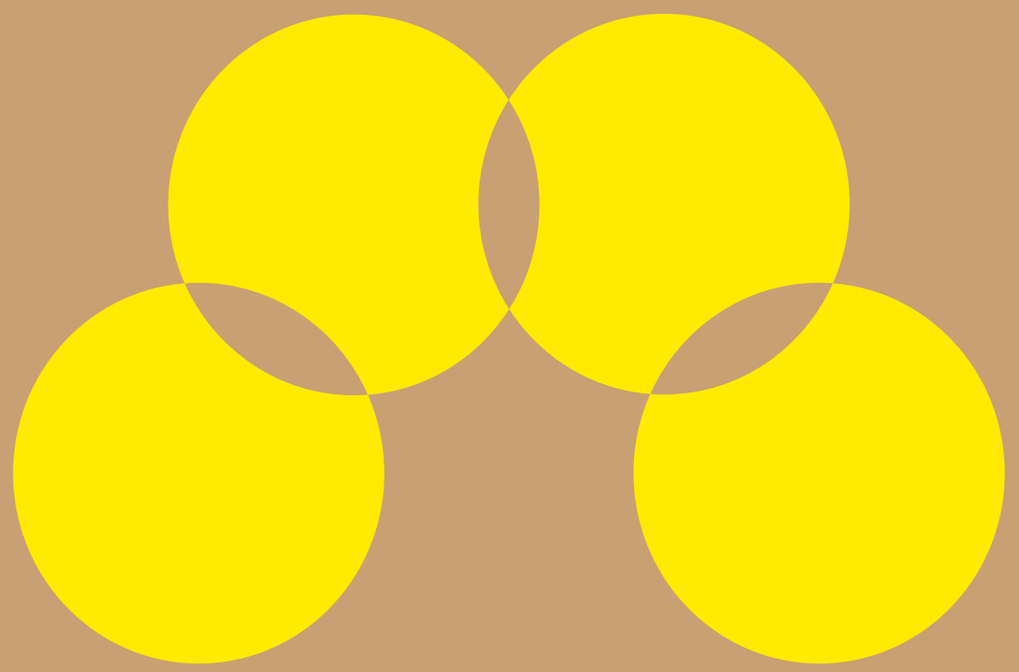
1. We are optimising transports and co-shipping more goods to reduce emissions. We focus on energy utilisation as well, looking at annual consumption we now produce 100% of our own energy usage on balance with the solar panels on our roof. We recycle 100% of our products, utilising the cuttings and sawdust for heating the factory. We even have a surplus of 30-40 tonnes in storage. In general, we seem to be at the forefront of our industry.
2. We are aiding and contributing to Vestre's decarbonisation in many ways, but our biggest contributions would be the clean energy and the huge internal focus on utilisation. With parts from the extra utilisation, we keep a stock for Vestre on our own books, with parts that are usually built to order, effectively reducing the lead time on those as well.

Summary

We in Vestre have a strong team of suppliers backing us up. We believe that transparency and traceability from raw materials to the customer, and back again into the loop will become of paramount importance in the years to come. Therefore, we work with our suppliers, our partners, to achieve maximum effect not only in terms of sustainability, but also in terms of competitiveness.

“If I am walking with two people, both will be my teachers”

Confucius



Appendix

Carbon account

tCO_2e

Scope	Category	Subcategory	2019	2020	2021	2022	2023
Scope 1[7]	Stationary Combustion	Stationary Combustion	0.2	1.2	1.4	1.2	1.1
	Transport	Transportation	14.0	5.8	6.6	21.0	24.6
Total			14.2	7.0	8.0	22.3	25.7
Scope 2[7]	Electricity	Electricity	16.9	17.4	19.0	51.7	91.7
Total			16.9	17.4	19.0	51.7	91.7
Scope 3[7]	Business travel	Business Travel	80.5	2.7	41.6	100.0	74.9
	Downstream[7] transportation and distribution	Air	255.8	34.4	8.0	96.3	114.8
		Road	190.2	210.1	337.6	164.4	333.4
		Sea	41.1	47.7	63.1	25.6	85.7
	Processing of sold products	Metalworks				0.2	
	Purchased goods and services	Aluminium	99.1	85.3	87.0	121.7	125.8
		Concrete	5.2	6.7	20.9	6.5	5.5
		Equipment			1.4	1.4	1.1
		Metalworks			7.9		0.0
		Other materials				30.2	309.9
		Packaging			76.9	181.1	239.6
		Steel	2168.7	2386.8	2788.5	2910.8	3751.4
		Surface	132.7	199.2	374.5	377.1	285.0
		Wood	0.0	133.5	207.6	207.4	94.1
	Upstream[7] transportation and distribution	Road	10.3	12.1	7.7	59.2	23.5
	Waste generated in operations	Waste	14.9	15.9	8.9	47.6	82.4
Total			2998.5	3134.4	4031.6	4329.4	5527.1
Total footprint			**3029.6**	**3158.8**	**4058.6**	**4403.4**	**5644.5**

Energy detailed

MWh

	2020	2021	2022	2023
Stationary Combustion	68.7	77.4	66.8	62.1
Transportation	28.9	27.5	87.7	102.5
Scope 1 Total	**97.6**	**104.9**	**154.5**	**164.6**
Electricity Grid mix	418.4	440.0	1718.9	3163.5
Electricity Renewable onsite	139.7	129.0	313.0	257.5
Scope 2 Total	**558.1**	**568.9**	**2031.9**	**3421.0**

Certified wood

m^3

	2020		2021		2022		2023	
Wood type	FSC	Non-FSC	FSC	Non-FSC	FSC	Non-FSC	FSC	Non-FSC
Accoya	2.6	1.0	0.8	-	2.4	-	9.52	-
Ash	-	4.7	-	4.2	-	2.3	-	0.5
Oak	-	19.4	-	9.2	-	10.2	-	13.1
Kebony	47.7	1.1	75.1	-	69.8	-	66.4	-
Pine, massive	79.7	129.9	246.7	9.7	264.0	-	550.2	-
Pine, glulam	78.7	303.0	317.1	39.9	511.0	-	469.0	13.7
Pine, plywood	12.3	5.5	17.7	-	13.7	-	5.0	-
Sum total	**221.1**	**464.4**	**657.3**	**62.9**	**860.9**	**12.4**	**1100.1**	**27.3**
Share of total	32%	68%	91%	9%	99%	1%	98%	2%

Offsets?

tCO_2e

Group company	Type	Year purchased	Year emitted	Volum (tCO2e)	Supplier	Project
Vestre	Offset	2010	2009	68	CEMAsys	CDM 0928
	Offset	2012	2010-11	148	CEMAsys	CDM 0928
	Offset	2013	2012	74	CEMAsys	CDM 0928
	Offset	2014	2013	74	CEMAsys	CDM 0928
Vestre (own operations)	Offset	2016	2014-15	143	CEMAsys	CDM 3995
Vestre (Sweden inc. Scope 3)	Offset	2016	2014-15	3066	CEMAsys	CDM 2183
	Offset	2017	2016	1941	CEMAsys	CDM 2183
Vestre (own operations)	Offset	2017	2016	31	CEMAsys	CDM 3995
Vestre AS	Offset	2018	2017	50	CEMAsys	GS 1385
Vestre AB	Offset	2018	2017	2381	CEMAsys	GS 1385
Vestre Group	Offset	2020	2018-19	1518	CEMAsys	VCS 1764
	Offset	2021	2020	3159	CEMAsys	VCS 1764
	Removal?	2022	2021	457	Lune	Link to projects*
	Removal	2023	2022	466	Lune	Link to projects*
	Removal	2024	2023	374	Lune	Link to projects*
Sum credits				**13876**		

* https://sustainability.lune.co/vestre-as

10% for the goals

NOK

#	Initiatives	SDG	2018	2019	2020	2021	2022	2023
1	Vestre Maintenance Team	8, 11, 12	370,000	374,642	370,000	294,750	351,885	526,598
2	MSF	10	160,000	160,000	160,000	160,000	160,000	100,000
3	INTERBRIDGE	10	50,000					
4	UNICEF	4, 10	150,000	150,000		200,000	200,000	200,000
5	YSI	9, 11	150,000	150,000	150,000			
7	EMPOWER	8, 9, 12, 15	138,375	280,000	135,000			
8	NCA	4, 8		300,000	300,000	300,000	300,000	
9	OPE/PLASTIC	9, 12	50,000	200,000				
10	FFF	8, 15		185,000	200,000	350,000		
11	Gyaw gyaw	4, 8			200,000	200,000		
12	Techbridge	7, 9, 13				300,000		
13	SUNami	7, 9, 13			250,000	200,000		
14	Ingrid Aune's memorial fund	4, 10		50,000				
15	The Oslo Center	4, 10		30,000				
16	CARE (TV-campaign 2019)	10		50,000				
17	Quaker Service Norway	10		50,000				
18	BIEN Norge	10		10,000				
19	XR	13			300,000			
20	Chime	8, 11			300,000	300,000		
21	Pathfinder	11, 13				125,000		
22	Ocean Race	12				59,037		
23	Redd Barna	4						207,150
24	Local initiatives in Torsby & Magnor 2013-23	11						849,860
			1,068,375	**1,989,642**	**2,365,000**	**2,488,787**	**1,011,885**	**1,883,608**

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